

**SOUTHERN IOWA  
ECONOMIC DEVELOPMENT  
ASSOCIATION  
OTTUMWA, IOWA**

Independent Auditors' Report  
Financial Statements and Supplementary Data  
Reports on Compliance and Internal Controls

June 30, 2005

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

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# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

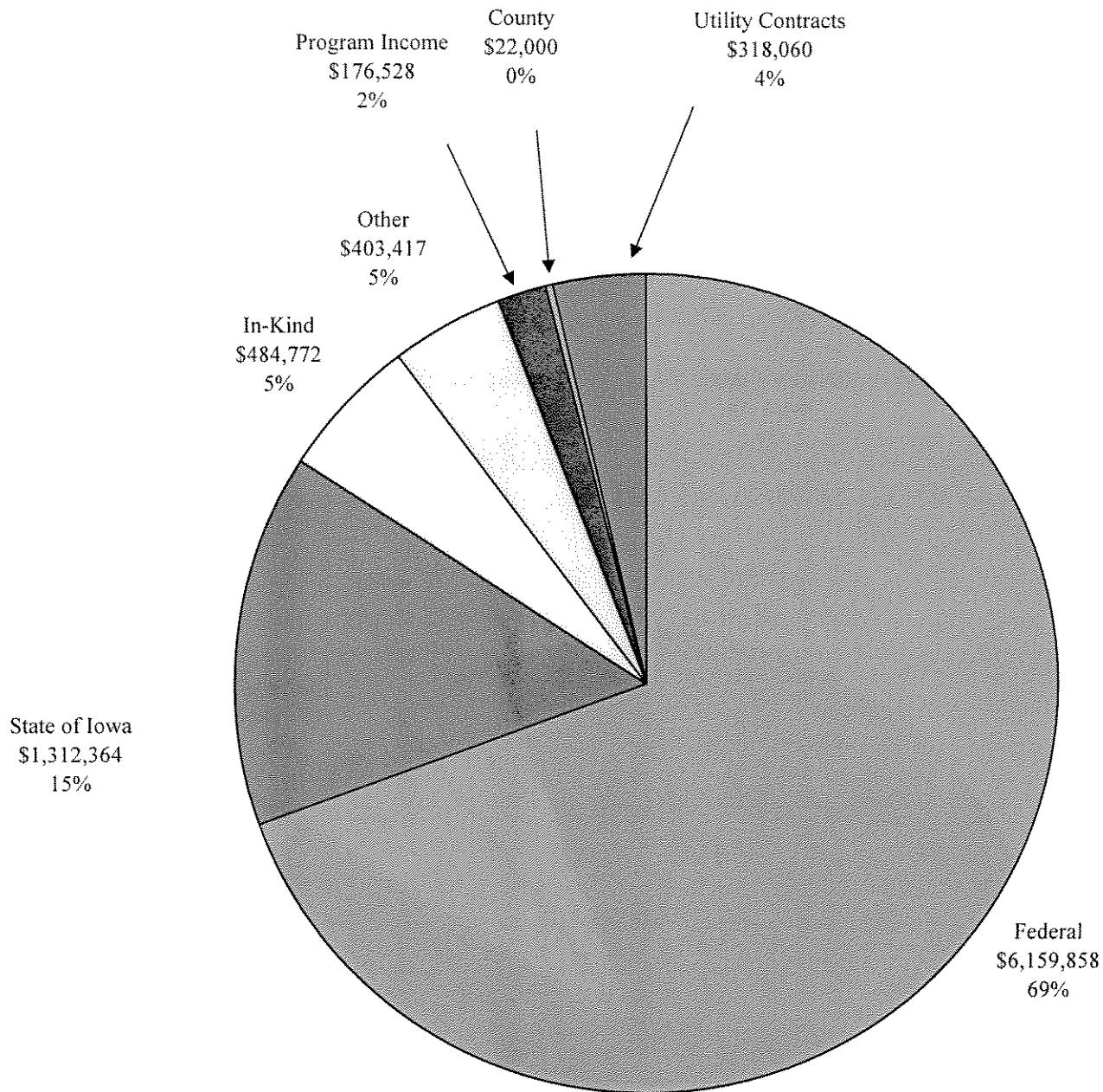
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## Introductory

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

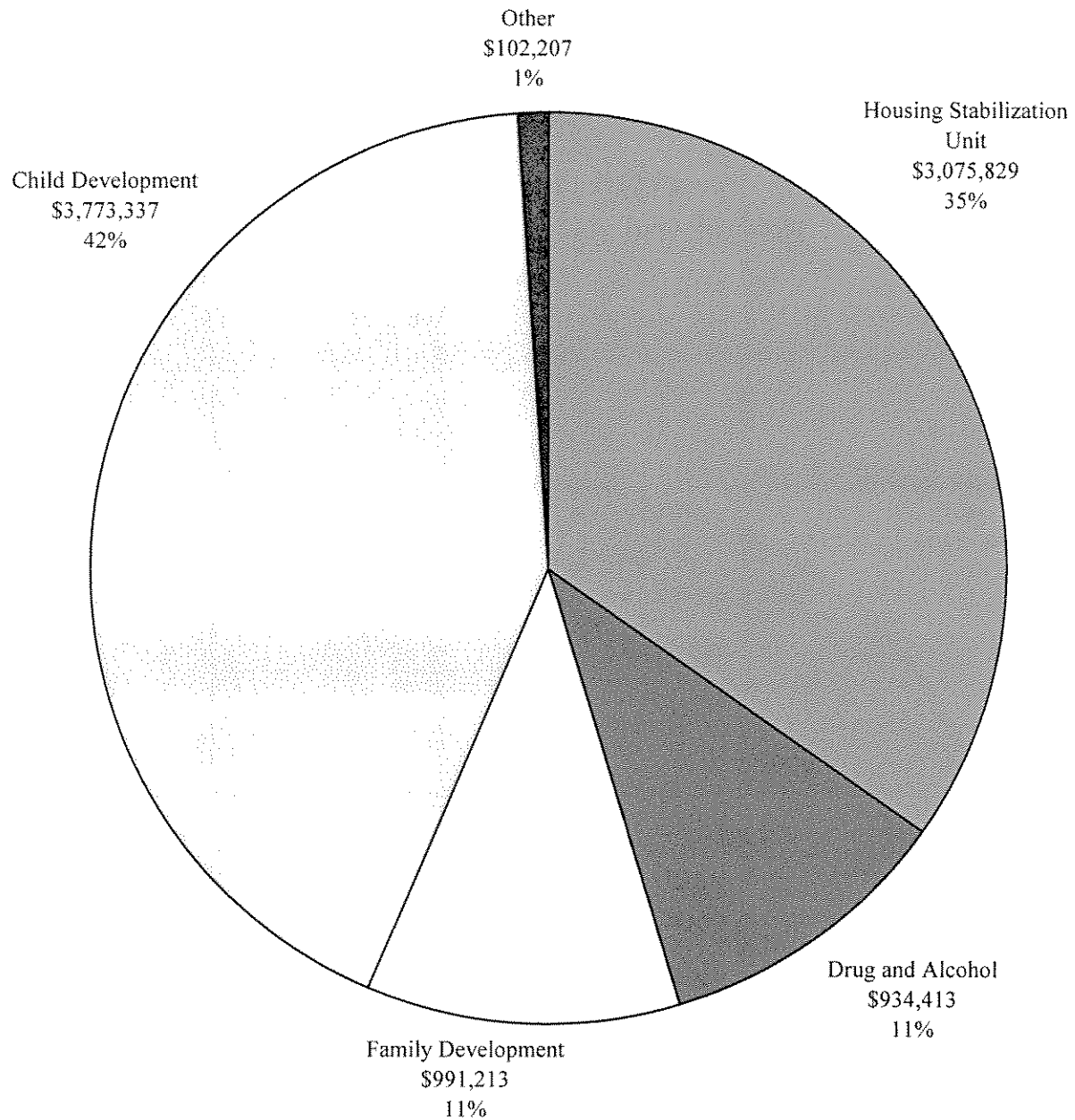
## Revenues By Funding Source For Fiscal Year Ending June 30, 2005



Total Revenues By Funding Source \$8,876,999

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

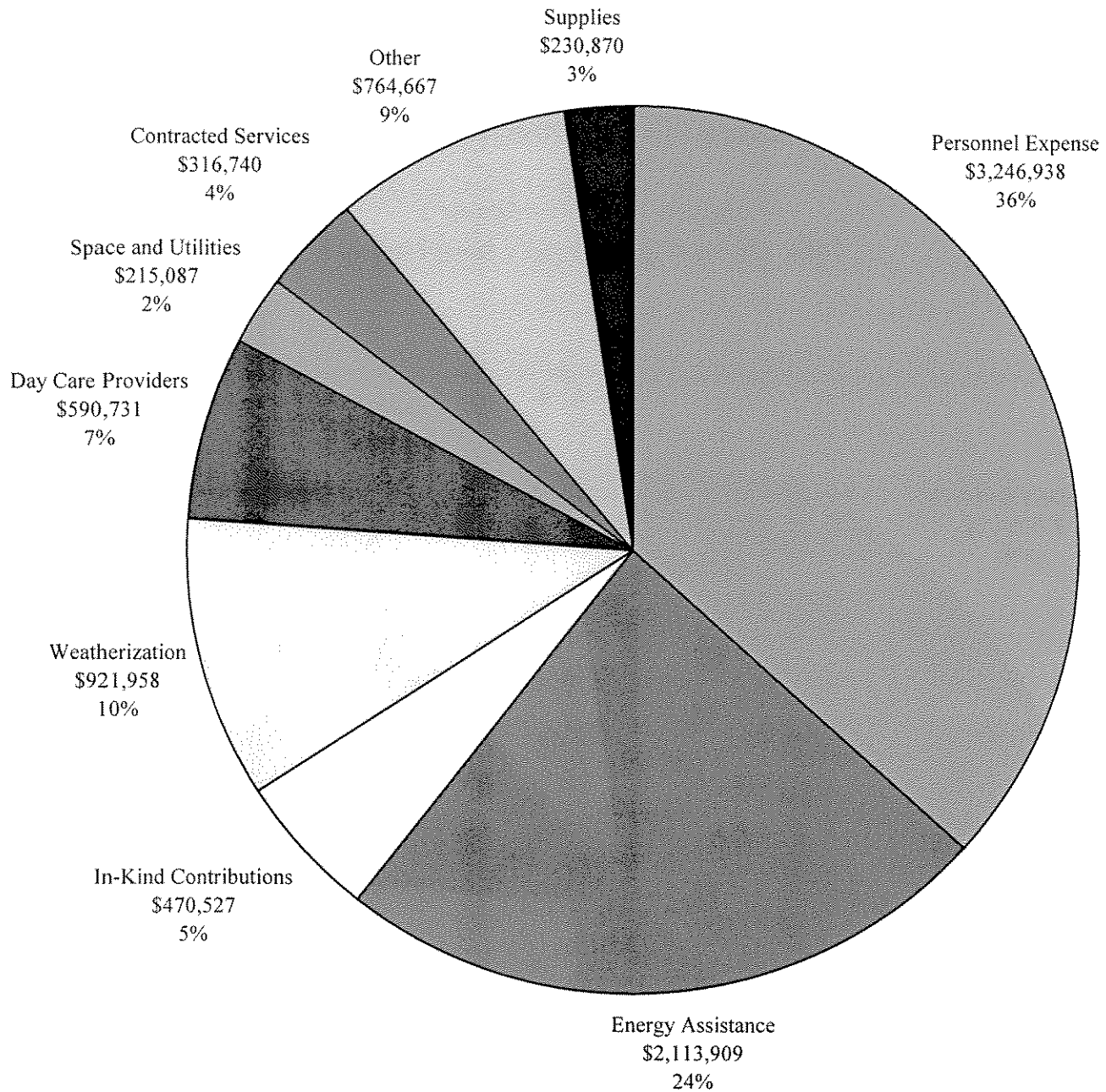
## Revenues By Program For Fiscal Year Ending June 30, 2005



Total Revenues By Program \$8,876,999

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

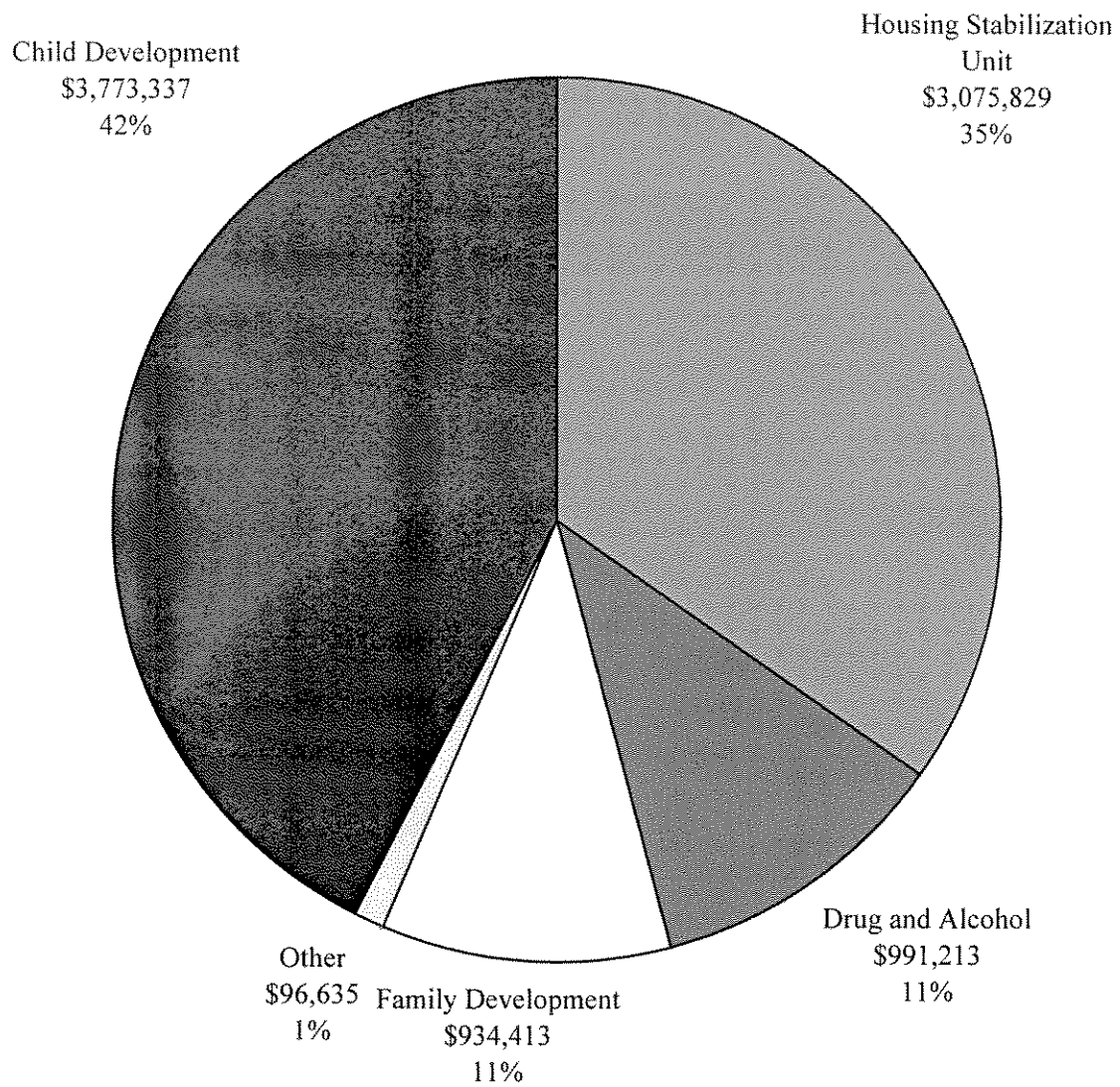
## Expenditures By Function For the Fiscal Year Ending June 30, 2005



Total Expenditures by Function \$8,871,427

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Expenditures By Program For the Fiscal Year Ending June 30, 2005



Total Expenditures by Program \$8,871,427



# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Financial Statements

June 30, 2005



# Theobald, Donohue & Thompson, P.C.

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## Independent Auditors' Report

Board of Directors  
Southern Iowa Economic Development Association  
Ottumwa, Iowa

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the Southern Iowa Economic Development Association as of and for the year ended June 30, 2005. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As disclosed in footnote 1 and footnote 13, the Agency has elected not to recognize depreciation or accrue compensated absences. In our opinion, accounting principles generally accepted in the United States of America require that depreciation on property and equipment be recognized and compensated absences be accrued. It was not practical to determine the effects of the unrecorded depreciation on the financial statements.

In our opinion, except for the effects of not recognizing depreciation or accruing compensated absences, as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Southern Iowa Economic Development Association as of June 30, 2005, and the changes in its net assets, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated August 11, 2005, on our consideration of the Southern Iowa Economic Development Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule 1, Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The other supplementary data included in Schedules 2 to 14 is presented for analysis purposes only and is not a required part of the basic financial statements. Such data has been subjected to the auditing procedures applied in the audit of the aforementioned financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Theobald, Donohue & Thompson, P.C.*

Sigourney, Iowa  
August 11, 2005

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combined Statement of Financial Position - All Funds

June 30, 2005

	Admin- istrative <u>Funds</u>	Program <u>Funds</u>	Plant <u>Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 322,050	217,531	-	539,581
Petty cash	50	50	-	100
Receivables:				
Grantor agencies	-	463,723	-	463,723
Other sources	3,589	8	-	3,597
Prepaid expenses	5,207	48,159	-	53,366
Inventory	2,207	2,550	-	4,757
Property and equipment at cost	-	-	677,882	677,882
<b>Total assets</b>	<b>\$ 333,103</b>	<b>732,021</b>	<b>677,882</b>	<b>1,743,006</b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Cash overdraft	\$ 16,185	253,644	-	269,829
Accounts payable	2,993	104,376	-	107,369
Grantor agencies	25,299	-	-	25,299
Accrued payroll	8,022	72,066	-	80,088
Accrued payroll taxes	1,971	20,668	-	22,639
Other current liabilities	263	7,775	-	8,038
Deferred revenue	-	273,492	-	273,492
Current portion of notes payable - building	-	-	4,221	4,221
Long-term portion of notes payable - building	-	-	29,589	29,589
<b>Total current liabilities</b>	<b>54,733</b>	<b>732,021</b>	<b>33,810</b>	<b>820,564</b>
<b>Unrestricted net assets:</b>				
Administrative	278,370	-	-	278,370
Net investment in plant	-	-	644,072	644,072
<b>Total net assets</b>	<b>278,370</b>	<b>-</b>	<b>644,072</b>	<b>922,442</b>
<b>Total liabilities and net assets</b>	<b>\$ 333,103</b>	<b>732,021</b>	<b>677,882</b>	<b>1,743,006</b>

See accompanying notes to financial statements.

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combined Statement of Activities - All Funds

For the Year Ended June 30, 2005

	Unrestricted			
	Admin- istrative Funds	Program Funds	Plant Fund	Total
Revenues:				
Governmental funding sources:				
Department of Energy	\$ -	303,494	-	303,494
Department of Health and Human Services	-	5,057,961	-	5,057,961
Department of Agriculture	-	789,951	-	789,951
FEMA/DOT/Dept of Justice	-	8,452	-	8,452
Iowa Department of Human Services	-	706,203	-	706,203
Iowa Department of Public Health	-	589,161	-	589,161
Iowa Department of Economic Development	-	17,000	-	17,000
In-kind contributions	-	484,772	-	484,772
Utility Companies	-	318,060	-	318,060
CSBG budgeted co-funding	-	18,502	-	18,502
County contributions	22,000	-	-	22,000
Interest income	781	-	-	781
Other sources	58,154	481,236	21,272	560,662
Total revenues	80,935	8,774,792	21,272	8,876,999
Expenditures:				
Weatherization assistance	-	946,993	-	946,993
Low Income Home Energy Assistance	-	2,128,836	-	2,128,836
Head Start	-	2,370,104	-	2,370,104
Child Care Food Program (Day Care Homes)	-	789,951	-	789,951
Other Child Development grants	-	613,282	-	613,282
Drug and Alcohol grants	-	991,213	-	991,213
Community Services Block Grant	-	384,966	-	384,966
FaDSS	-	349,044	-	349,044
Other Family Development grants	-	200,403	-	200,403
Administrative	81,712	-	14,923	96,635
Total expenditures	81,712	8,774,792	14,923	8,871,427
Change in net assets	(777)	-	6,349	5,572
Unrestricted net assets at beginning of year	276,935	-	678,106	955,041
Transfer from plant fund	2,212	-	(2,212)	-
Net purchases/(disposal) of plant assets	-	-	(38,171)	(38,171)
Unrestricted net assets at end of year	\$ 278,370	-	644,072	922,442

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
 Combined Statement of Functional Expenditures -  
 Administrative and Program Funds  
 For the Year Ended June 30, 2005

	Unrestricted			
	Admin- istrative Funds	Program Funds	Plant Fund	Total
Salaries and employee benefits	\$ 281,237	2,965,701	-	3,246,938
Contracted services/consultants	2,967	313,753	-	316,720
Co-funding	-	17,548	-	17,548
Day care provider payments	-	590,731	-	590,731
Energy assistance/administrative	-	2,113,909	-	2,113,909
Food	-	90,051	-	90,051
In-kind contributions	-	470,527	-	470,527
Insurance	6,200	19,282	1,552	27,034
Other	54,336	351,767	1,033	407,136
Printing, postage and publications	17,896	28,609	136	46,641
Professional expense	19,724	-	-	19,724
Property and equipment	-	31,834	5,700	37,534
Space costs	26,622	182,514	5,951	215,087
Supplies	14,577	215,743	551	230,871
Telephone	4,480	35,213	-	39,693
Travel	7,730	71,595	-	79,325
Weatherization	-	921,958	-	921,958
Total expenditures before allocation of indirect costs	435,769	8,420,735	14,923	8,871,427
Allocation of indirect costs	(354,057)	354,057	-	-
Total expenditures	<u>\$ 81,712</u>	<u>8,774,792</u>	<u>14,923</u>	<u>8,871,427</u>

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Statement of Cash Flows  
For the Year Ended June 30, 2005

Cash flows from operating activities:	
Change in net assets	\$ 5,572
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Grantor and other receivables	149,916
Prepaid expenses	3,431
Inventory	(916)
Increase (decrease) in:	
Accounts payable	22,905
Accrued expenses	10,074
Deferred revenue	<u>(75,404)</u>
Net cash provided (used) by operating activities	<u>115,578</u>
Cash flows from financing activities:	
Received on line of credit	40,000
Payments on line of credit	(40,000)
Payments on notes payable - building	<u>(4,137)</u>
Net cash provided by financing activities	<u>(4,137)</u>
Net change in cash and cash equivalents	111,441
Cash and cash equivalents, beginning of year	<u>158,411</u>
Cash and cash equivalents, end of year	<u>\$ 269,852</u>

See accompanying notes to financial statements.

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements June 30, 2005

### Note 1 – Summary of Significant Accounting Policies

The significant accounting policies followed by the Southern Iowa Economic Development Association are described below to enhance the usefulness of these annual financial statements to the reader.

#### Reporting Entity

The Southern Iowa Economic Development Association, a not-for-profit corporation, is a community action agency that serves the Iowa counties of Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Marion, Monroe, Van Buren, Wapello and Wayne. Southern Iowa Economic Development Association is exempt from income tax under section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

Southern Iowa Economic Development Association administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund.

#### Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenditures. The various funds are summarized as follows in the financial statements:

Administrative Fund – The Administrative Fund represents funds derived from local sources such as donations, county match and miscellaneous activities. The Agency's overall management and administrative expenditures are charged to this fund and then allowable indirect costs are allocated to the various programs which the Agency administers. Footnote 9 refers to the funds combined in the Administrative Fund.

Program Funds – Program Funds are used to account for the revenues and expenditures that are contractually restricted by the funding source for specific purposes.

Plant Fund – The Plant Fund is used to accumulate the net investment in fixed assets and to account for the unexpended resources contributed specifically for the purpose of acquiring fixed assets for the Agency. The Agency has elected not to report depreciation expense except on the building it owns in Sigourney, Iowa. The space in this building is rented to programs.

(continued)



# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Grant or contract revenue is recognized when earned. The grants and contracts are written on an expenditure reimbursement basis and accordingly, grant or contract revenue is earned when allowable program expenditures are incurred. The financial statements present any funds received and not expended as deferred revenue.

Expenditures are recorded when the liability is incurred. Disbursements for the purchase of fixed assets providing future benefits are recorded as expenditures in the program at the time of purchase and capitalized in the plant fund.

#### Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

#### Cash and Cash Equivalents

Cash includes amounts in demand deposits and money market funds.

#### Receivables from Grantor Agencies

Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from Grantor Agencies represent an excess of expenditures over cash basis reimbursements at year end.

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued)

June 30, 2005

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Inventory

Inventory purchased through vendors is accounted for at the lower of cost (first-in, first-out) or market. Inventory is composed of office supplies and weatherization materials and is recorded as expenditures as it is used rather than when purchased.

#### Property and Equipment

The Agency reports all property and equipment additions which have extended useful lives as program expenditures to match budgeting methods. The Agency reports property and equipment with a cost of over \$2,500 as an asset with a related investment in property and equipment net assets. All repairs and general maintenance are recognized as program or administrative expenditures as incurred. No interest costs were capitalized since there were no qualifying assets.

The Agency has elected to not record depreciation for financial reporting purposes in the program funds as their grant budgeting process does not include such. To recognize depreciation expense would be of no economic benefit.

#### Deferred Revenue

Deferred revenue represents an excess of cash advances by the funding source over paid or accrued expenditures at year end.

#### Program Reporting Year Ends

The Southern Iowa Economic Development Association has adopted a fiscal reporting year end of June 30. Certain program grants administered have different program period ending dates based on grantor requirements. All grants ending June 30, 2005 have been included in this annual report and amounts included for these programs are for the twelve month period ending June 30, 2005. This report also includes those grants which end on various dates as specified in the contracts. Therefore, these financial statements include revenue and expenditure statements for two grant periods for certain grants. One covers revenue and expenditure amounts for the partial grant period which began during the current year and one covers the revenues and expenditures for the partial grant year that began during the previous year.

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Indirect Expense Allocation

Expenses relating to the administration of the Agency in general are allocated to the specific program grants based upon a predetermined rate of 13.3% of gross salaries charged to the grant, actual space occupied (rent, utilities), or some other equitable basis depending upon the nature of the expenditure. The predetermined rate is based on a formula developed by the Agency and approved by the Department of Health and Human Services, its oversight agency. Grants whose budgets do not allow for the total indirect cost allocation are co-funded through the CSBG grant.

#### In-Kind Contributions

The Agency recognizes donated labor, services, materials and rent-free usage of facilities and equipment as in-kind revenues at the time the services and materials are received within the Head Start program. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with grant requirements.

#### Total Column

The total column on the combined statement of financial position, statement of activities and statement of functional expenditures is presented to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements; assets, liabilities, and the reported amount of revenues and expenses involve extensive reliance on management's estimates. Actual results could differ from those estimates.

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 2 – Background of Agency

The Southern Iowa Economic Development Association, as a Community Action Agency, is grantee of several Federal, State and locally funded program grants that assist mainly low-income people in the eleven county area it serves. Each program is accounted for as a separate fund.

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State tax code. The Agency has adopted a June 30 Agency reporting fiscal year end although several program grants have differing grant year ends.

### Note 3 – Net Cash

Cash and cash overdrafts as presented in Exhibit A include amounts in demand deposits and is composed of the following components:

Cash in bank:	
Agency – checking	\$ 154,828
Agency – savings	113,130
I-Care – checking	302
Head Start – savings	486
LIHEAP – checking	<u>1,006</u>
	<u>269,752</u>
Petty cash:	
Agency	50
Drug and Alcohol	<u>50</u>
	<u>100</u>
	\$ <u>269,852</u>

The cash balances shown are insured up to the Federal Deposit Insurance Corporation's limit of \$100,000. However, SIEDA's banking institute provides collateral which is assigned to these accounts.

### Note 4 – Disclosures of Cash Flows Information

For purposes of the statement of cash flows, the Agency considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash paid during the year for:	
Interest	\$ <u>721</u>

### Note 5 – Receivable-Grantor Agencies

Receivable-Grantor Agencies at June 30, 2005 as reported in Exhibit A is composed of the following:

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 5 – Receivable-Grantor Agencies (Continued)

Department of Energy:	
Iowa Department of Human Rights:	
DOE	\$ 46,277
Department of Agriculture:	
Iowa Department of Education:	
Day Care Homes	65,668
Supplemental Food	2,950
Department of Health and Human Services:	
Head Start (Direct)	70,213
Iowa Department of Human Rights:	
CSBG	29,226
HEAP	104
LIHEAP	9,067
Iowa Department of Public Health:	
Prevention	20,193
Treatment	59,046
Tobacco	5,312
Iowa Department of Human Services:	
FaDSS	4,590
Iowa Department of Economic Development:	
Homeless Shelter Grant	1,409
Iowa Department of Human Rights:	
IPL – Weatherization Assistance	59,693
MEC – Weatherization Assistance	14,430
Jefferson/Keokuk:	
Parents as Teachers	8,407
Iowa Division of Vocational Rehab Services:	
Vocational Rehab	8,102
Mahaska/Wapello:	
Parents as Teachers	50,148
United Way – Emergency	5,298
Van Buren County – VCFSS	3,023
Alliant Energy – Alliant Counseling	<u>567</u>
	\$ <u>463,723</u>

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 6 – Property and Equipment

SIEDA's policy for capitalizing property and equipment was reviewed and updated during the year ended June 30, 2005. SIEDA determined that only items with a cost of \$2,500 or more are capitalized. This was applied retroactively.

The following is a detail by program of the equipment and building amount reported in Exhibit A identified to the program it relates to:

	<u>Equipment</u>	<u>Buildings</u>	<u>Total</u>
DOE Weatherization	\$ 21,520	-	21,520
HEAP Weatherization	64,439	-	64,439
Department of Health and Human Services – Head Start	159,638	-	159,638
Iowa Department of Substance Abuse – Drug and Alcohol:			
Treatment	32,750	-	32,750
Prevention	5,613	-	5,613
Tobacco Prevention	2,524	-	2,524
FaDSS	2,950	-	2,950
Agency	40,124	276,468	316,592
Parents as Teachers	<u>71,856</u>	<u>-</u>	<u>71,856</u>
	\$ <u>401,414</u>	<u>276,468</u>	<u>677,882</u>

Equipment and building are reported at original cost or donated value with an offsetting amount of investment in equipment and building net assets.

### Note 7 – Line of Credit

As of June 30, 2005, SIEDA has a \$100,000 line of credit secured by all receivables, cash accounts and general intangibles. The interest rate is 1 percent above the Wells Fargo prime rate index, floating. The balance was \$-0- as of June 30, 2005.

### Note 8 – Long Term Liabilities

The Agency obtained a long term real estate contract from the City of Sigourney. The contract calls for monthly payments of \$405 and accrues interest of 2 percent per annum. The related building secures the contract. The balance at June 30, 2005, is \$33,810. Final payment is due December 2012.

Principal amounts due during the next five fiscal years are as follows:

2006	\$ 4,221
2007	4,306
2008	4,393
2009	4,481
2010	4,572

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 9 – Administrative Fund Balances

Administrative fund balances at June 30, 2005 as reported in Exhibit A are composed of the following:

Discretionary Fund	\$ 178,141
Indirect Cost Pool	( 45,166)
Head Start – Discretionary Funds	4,710
Head Start – Health Care Donations	4,416
Head Start – Interest Income	1
Weatherization – Interest Earned and Program Income	2,292
Drug and Alcohol – Prevention Donations	15
Drug and Alcohol – Treatment	118,036
LIHEAP – Discretionary Funds	235
Parents as Teachers – Mahaska/Wapello	3
Flood Donations	1,040
FaDSS – Discretionary Funds	1,087
Family Preservation	1,531
Art Johnson Memorial	61
Resource Centers and Emergency Housing	9,338
Area XV	<u>2,630</u>
	\$ <u>278,370</u>

### Note 10 – Provider Relationship

The Agency provides outpatient counseling, education, and substance abuse prevention service to residents of the eleven county area under authorization from the Iowa Department of Public Health, Division of Substance Abuse and Health Promotion. Services are provided under a license which extends through July 13, 2007. Provision of services after that date is contingent upon continued licensure by the Iowa Department of Public Health, Division of Substance Abuse and Health Promotion.

### Note 11 – Match Funds Required – Head Start Program

The Head Start grant requires grantee provided support to match Federal funding in the amount of 20% of the total Federal and non-Federal revenues. Based on grant terms for Grant Number 6142(38) for the period December 1, 2003 through November 30, 2004 the grant provided for \$1,958,018 of Federal support and grantee matching support in the amount of \$489,505. Such grantee match requirement of 20% of federal funding was met.

Grant terms for Grant Number 6142(39) for the period December 1, 2004 through November 30, 2005 provided for \$1,902,850 of Federal support and grantee matching support in the amount of \$475,713. At June 30, 2005 matching support of \$80,252 had been generated, leaving a balance of \$395,461 to be obtained during the period July 1, 2005 through November 30, 2005, the contract ending date.

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2005

### Note 12 – Lease of Space

SIEDA leases the space where their offices are located in Ottumwa and several other neighborhood center locations. The office lease has an option to be renewed every five years and is currently renewable February 28, 2006. The space is expensed to the individual programs by a square footage allocation. The resource centers have varying expirations. The current contracts required annual lease payments for space of \$237,000 for the space leased at June 30, 2005.

### Note 13 – Retirement Plan

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the Agency is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended June 30, 2005 was \$155,872, equal to the required contributions for the year.

### Note 14 – Employee Vacation Benefit

Agency employees accumulate vacation leave hours for subsequent use or payment upon termination or retirement. The accumulations are not recognized as expenses until used or paid which is in accordance with grant requirements for allowable costs. As of June 30, 2005 vested unpaid vacation leave for Agency employees was \$95,951. Of the total, \$8,577 is vacation earned over a year ago.

### Note 15 – Economic Dependency

SIEDA is dependent upon federal and state monies to maintain its operations. In the event that grant monies are not available from such sources, SIEDA may not continue as a going concern.

### Note 16 – Contingent Liability

SIEDA is contingently liable to grantors for monies received until each grant has been closed by the grantor.

### Note 17 – Agency Risk Management

Southern Iowa Economic Development Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no claims from these risks that have exceeded commercial insurance coverage for the past three years.



SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Supplementary Data

June 30, 2005

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards  
For the Period July 1, 2004 through June 30, 2005

<u>Grant Name/ Federal Grantor/ Pass Through Grantor</u>	<u>CFDA Number/ Grant Period</u>	<u>Grantor Contract Number</u>	<u>Expenditures</u>
Department of Energy:			
Iowa Department of Human Rights, Division of Community Action Agencies	DOE – Weatherization Assistance for Low Income Persons/81.042		
	04/01/04 – 03/31/05	DOE-04-15L	\$ 149,899
	04/01/05 – 03/31/06	DOE-05-15L	<u>153,595</u>
Total Department of Energy			<u>303,494</u>
Department of Agriculture:			
Iowa Department of Education	Child and Adult Care Food Program – Supplemental Food*/10.558		
	10/01/03 – 09/30/04	90-8010	12,149
	10/01/04 – 09/30/05	90-8010	80,588
	Child and Adult Care Food Program – Day Care Homes* /10.558		
	10/01/03 – 09/30/04	90-8017	196,974
	10/01/04 – 09/30/05	90-8017	<u>500,240</u>
Total Department of Agriculture			<u>789,951</u>

(continued)

\* = Major program

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards (Continued)  
For the Period July 1, 2004 through June 30, 2005

<u>Grant Name/ Federal Grantor/ Pass Through Grantor</u>	<u>CFDA Number/ Grant Period</u>	<u>Grantor Contract Number</u>	<u>Expenditures</u>
Department of Health and Human Services:			
Office of Human Development Services (Direct)	Head Start, Full Year Part Day and Handicapped* /93.600		
	12/01/03 – 11/30/04	07CH6142/38	819,731
	12/01/04 – 11/30/05	07CH6142/39	1,099,156
			<u>1,918,887</u>
Iowa Department of Human Rights, Division of Community Action Agencies	Community Services Block Grant/93.569		
	10/01/02 – 09/30/04	CSBG-03-15-CL	116,586
	10/01/03 – 09/30/05	CSBG-04-15-CL	267,735
			<u>384,321</u>
	Family Development and Self Sufficiency/93.558		
	07/01/04 – 06/30/05	FaDSS-05-15-FL	<u>172,980</u>
	Home Energy Assistance Program – Weatherization /93.568		
	04/01/04 – 03/31/05	HEAP-04-15L	313,306
	04/01/05 – 03/31/06	HEAP-05-15L	5,512
	Low Income Home Energy Assistance Program/93.568		
	10/01/03 – 09/30/04	LIHEAP-04-15-L	478,273
	10/01/04 – 09/30/05	LIHEAP-05-15-L	<u>1,648,485</u>
			<u>2,445,576</u>

(continued)

\* = Major program

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards (Continued)  
For the Period July 1, 2004 through June 30, 2005

<u>Grant Name/ Federal Grantor/ Pass Through Grantor</u>	<u>CFDA Number/ Grant Period</u>	<u>Grantor Contract Number</u>	<u>Expenditures</u>
Department of Health and Human Services (Continued):			
Iowa Department of Public Health, Division of Substance Abuse/ Health Promotion	Prevention/93.959 07/01/04 – 06/30/05	5885CP21	<u>136,197</u>
Total Department of Health and Human Services			<u>5,057,961</u>
Federal Emergency Management Association	Emergency Food and Shelter Program/83.523	N/A	<u>5,499</u>
Department of Justice			
Iowa Department of Justice	Rural Domestic Violence and Child Victimization Enforcement Discretionary Grant Program/16.589	N/A	<u>2,953</u>
			<u>\$ 6,159,858</u>

\* = Major program

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Financial Position - Program Funds

June 30, 2005

	<u>DOE</u>	<u>HEAP</u>	<u>IPL</u>	<u>MEC</u>	<u>Alliant Counseling</u>
Assets					
Cash and investments	\$ -	-	-	-	32,715
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	46,277	104	59,693	14,430	567
Other sources	-	-	-	-	-
Prepaid expenses	1,618	-	-	-	-
Inventory	<u>2,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 50,445</u>	 <u>104</u>	 <u>59,693</u>	 <u>14,430</u>	 <u>33,282</u>
 Liabilities and Net Assets					
Current liabilities:					
Cash overdraft	\$ 36,355	104	59,693	14,430	-
Accounts payable	451	-	-	-	-
Accrued payroll	3,945	-	-	-	168
Accrued payroll taxes	1,083	-	-	-	33
Other current liabilities	18	-	-	-	-
Deferred revenue	<u>8,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,081</u>
Total current liabilities	50,445	104	59,693	14,430	33,282
 Net assets	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total liabilities and net assets	 <u>\$ 50,445</u>	 <u>104</u>	 <u>59,693</u>	 <u>14,430</u>	 <u>33,282</u>

(continued)

<u>I-Care</u>	<u>Project Helper</u>	<u>LIHEAP</u>	<u>Head Start</u>	<u>Parents as Teachers ADLM</u>	<u>Parents as Teachers Mah/Wap</u>	<u>Parents as Teachers Jeff./Keokuk</u>
2,569	630	1,844	486	25,017	-	-
-	-	-	-	-	-	-
-	-	9,067	70,213	-	50,148	8,407
-	-	1	7	-	-	-
-	-	1,285	20,181	693	2,826	514
-	-	-	-	-	-	-
<u>2,569</u>	<u>630</u>	<u>12,197</u>	<u>90,887</u>	<u>25,710</u>	<u>52,974</u>	<u>8,921</u>
-	-	-	55,081	-	34,621	6,267
-	-	585	7,124	21,699	10,080	254
-	-	2,411	17,875	3,083	6,176	1,840
-	-	832	5,697	870	1,749	560
-	-	111	5,110	58	348	-
<u>2,569</u>	<u>630</u>	<u>8,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,569</u>	<u>630</u>	<u>12,197</u>	<u>90,887</u>	<u>25,710</u>	<u>52,974</u>	<u>8,921</u>
-	-	-	-	-	-	-
<u>2,569</u>	<u>630</u>	<u>12,197</u>	<u>90,887</u>	<u>25,710</u>	<u>52,974</u>	<u>8,921</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Combining Statement of Financial Position - Program Funds (Continued)  
June 30, 2005

	Reading <u>is Fun</u>	ADLM Child Care <u>Recruiter</u>	Day Care <u>Homes</u>	Supp. <u>Foods</u>	Drug and Alcohol - <u>Treatment</u>
<b>Assets</b>					
Cash and investments	\$ 2,840	3,078	-	-	119,766
Petty cash	-	-	-	-	50
Receivables:					
Grantor agencies	-	-	65,668	2,950	59,046
Other sources	-	-	-	-	-
Prepaid expenses	-	26	929	-	9,530
Inventory	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,840</u>	<u>3,104</u>	<u>66,597</u>	<u>2,950</u>	<u>188,392</u>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Cash overdraft	\$ -	-	8,931	2,248	-
Accounts payable	19	2,744	54,644	702	3,075
Accrued payroll	-	302	2,263	-	14,114
Accrued payroll taxes	-	58	640	-	3,953
Other current liabilities	-	-	119	-	849
Deferred revenue	2,821	-	-	-	166,401
	<u>2,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,401</u>
Total current liabilities	2,840	3,104	66,597	2,950	188,392
Net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 2,840</u>	<u>3,104</u>	<u>66,597</u>	<u>2,950</u>	<u>188,392</u>

(continued)

<u>Drug and Alcohol - Prevention</u>	<u>Drug and Alcohol - Tobacco</u>	<u>CSBG</u>	<u>Van Buren VCFSS</u>	<u>Voc. Rehab.</u>	<u>FaDSS</u>	<u>Homeless Shelter Operations</u>
-	-	17,502	-	1,664	3,542	-
-	-	-	-	-	-	-
20,193	5,312	29,226	3,023	8,102	4,590	1,409
-	-	-	-	-	-	-
2,034	154	5,542	-	-	2,827	-
-	-	-	-	-	-	-
<u>22,227</u>	<u>5,466</u>	<u>52,270</u>	<u>3,023</u>	<u>9,766</u>	<u>10,959</u>	<u>1,409</u>
18,135	473	-	3,023	7,576	-	1,409
206	1,135	523	-	-	960	-
2,887	901	8,661	-	5	7,435	-
809	239	2,046	-	-	2,099	-
190	1	506	-	-	465	-
-	2,717	40,534	-	2,185	-	-
22,227	5,466	52,270	3,023	9,766	10,959	1,409
-	-	-	-	-	-	-
<u>22,227</u>	<u>5,466</u>	<u>52,270</u>	<u>3,023</u>	<u>9,766</u>	<u>10,959</u>	<u>1,409</u>



SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Combining Statement of Financial Position - Program Funds (Continued)  
June 30, 2005

	United Way	United Way Emergency	FEMA	ADLM Nest	Jefferson County Parenting
<b>Assets</b>					
Cash and investments	\$ 1,655	-	3,494	284	50
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	-	5,298	-	-	-
Other sources	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventory	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 \$ 1,655	 5,298	 3,494	 284	 50
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Liabilities and Net Assets</b>					
Current liabilities:					
Cash overdraft	\$ -	5,298	-	-	-
Accounts payable	-	-	-	175	-
Accrued payroll	-	-	-	-	-
Accrued payroll taxes	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Deferred revenue	1,655	-	3,494	109	50
Total current liabilities	1,655	5,298	3,494	284	50
	<u>1,655</u>	<u>5,298</u>	<u>3,494</u>	<u>284</u>	<u>50</u>
 Net assets	 -	 -	 -	 -	 -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities and net assets	 \$ 1,655	 5,298	 3,494	 284	 50
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>ICAA</u> <u>Heating</u> <u>Assistance</u>	<u>Total</u> <u>(Memo</u> <u>Only)</u>
395	217,531
-	50
-	463,723
-	8
-	48,159
-	2,550
<u>395</u>	<u>732,021</u>

-	253,644
-	104,376
-	72,066
-	20,668
-	7,775
<u>395</u>	<u>273,492</u>
395	732,021
-	-
-	-
<u>395</u>	<u>732,021</u>

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds

For the Year Ended June 30, 2005

	<u>DOE</u> <u>3/31/2005</u>	<u>DOE</u> <u>3/31/2006</u>	<u>HEAP</u> <u>3/31/2005</u>	<u>HEAP</u> <u>3/31/2006</u>	<u>IPL</u> <u>12/31/2004</u>
Revenues:					
Governmental funding sources:					
Department of Energy	149,899	153,595	-	-	-
Dept. of Health and Human Services	-	-	313,306	5,512	-
Department of Agriculture	-	-	-	-	-
FEMA/DOT/Dept of Justice	-	-	-	-	-
Iowa Department of Human Services	-	-	-	-	-
Iowa Department of Public Health	-	-	-	-	-
Iowa Dept. of Economic Development	-	-	-	-	-
In-kind contributions	-	-	-	-	-
Utility Companies	-	-	-	-	25,391
CSBG budgeted co-funding	200	-	5,581	-	-
Other sources	-	540	300	-	-
Total revenues	<u>150,099</u>	<u>154,135</u>	<u>319,187</u>	<u>5,512</u>	<u>25,391</u>
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Contracted services/consultants	-	-	-	-	-
Co-funding	-	-	-	-	-
Day care provider payments	-	-	-	-	-
Energy assistance/administrative	-	-	-	-	-
Food	-	-	-	-	-
Indirect costs	-	-	-	-	-
In-kind contributions	-	-	-	-	-
Insurance	-	-	2,500	-	-
Other	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Telephone	-	-	-	-	-
Travel	-	-	-	-	-
Weatherization	<u>150,099</u>	<u>154,135</u>	<u>316,687</u>	<u>5,512</u>	<u>25,391</u>
Total expenditures	<u>150,099</u>	<u>154,135</u>	<u>319,187</u>	<u>5,512</u>	<u>25,391</u>
Change in net assets	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-
Transfer to discretionary fund	-	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

[illegible]

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2005

	Head Start <u>11/30/2004</u>	Head Start <u>11/30/2005</u>	App/Dav Ext. Hours <u>Appanoose</u>	App/Dav Ext. Hours <u>Davis</u>	Parents as Teachers <u>ADLM</u>
Revenues:					
Governmental funding sources:					
Department of Energy	-	-	-	-	-
Dept. of Health and Human Services	819,731	1,099,156	-	-	-
Department of Agriculture	-	-	-	-	-
FEMA/DOT/Dept of Justice	-	-	-	-	-
Iowa Department of Human Services	-	-	-	-	140,146
Iowa Department of Public Health	-	-	-	-	-
Iowa Dept. of Economic Development	-	-	-	-	-
In-kind contributions	353,343	80,252	-	-	-
Utility Companies	-	-	-	-	-
CSBG budgeted co-funding	5,360	-	-	-	-
Other sources	5,543	6,719	17,733	13,321	-
Total revenues	<u>1,183,977</u>	<u>1,186,127</u>	<u>17,733</u>	<u>13,321</u>	<u>140,146</u>
Expenditures:					
Salaries and employee benefits	492,898	744,469	15,968	12,013	104,823
Contracted services/consultants	33,243	53,266	-	-	-
Co-funding	-	-	-	-	-
Day care provider payments	-	-	-	-	-
Energy assistance/administrative	-	-	-	-	-
Food	-	-	-	-	-
Indirect costs	52,995	77,456	1,765	1,308	11,372
In-kind contributions	353,343	80,252	-	-	-
Insurance	-	-	-	-	923
Other	145,320	184,165	-	-	4,744
Space costs	50,000	-	-	-	3,237
Supplies	45,342	40,756	-	-	5,363
Telephone	-	-	-	-	2,431
Travel	10,836	5,763	-	-	7,253
Weatherization	-	-	-	-	-
Total expenditures	<u>1,183,977</u>	<u>1,186,127</u>	<u>17,733</u>	<u>13,321</u>	<u>140,146</u>
Change in net assets	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-
Transfer to discretionary fund	-	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2005

	Supp. Foods <u>9/30/2004</u>	Supp. Foods <u>9/30/2005</u>	Drug and Alcohol - Treatment	Drug and Alcohol - Prevention	Drug and Alcohol - Tobacco
Revenues:					
Governmental funding sources:					
Department of Energy	-	-	-	-	-
Dept. of Health and Human Services	-	-	-	136,197	-
Department of Agriculture	12,149	80,588	-	-	-
FEMA/DOT/Dept of Justice	-	-	-	-	-
Iowa Department of Human Services	-	-	-	3,908	-
Iowa Department of Public Health	-	-	589,161	-	-
Iowa Dept. of Economic Development	-	-	-	-	-
In-kind contributions	-	-	-	-	32,030
Utility Companies	-	-	-	-	-
CSBG budgeted co-funding	-	-	-	-	-
Other sources	-	-	176,528	8,376	45,013
Total revenues	<u>12,149</u>	<u>80,588</u>	<u>765,689</u>	<u>148,481</u>	<u>77,043</u>
Expenditures:					
Salaries and employee benefits	-	-	515,854	109,076	31,693
Contracted services/consultants	-	-	68,211	2,569	-
Co-funding	-	-	-	-	-
Day care provider payments	-	-	-	-	-
Energy assistance/administrative	-	-	-	-	-
Food	11,882	78,169	-	-	-
Indirect costs	-	-	53,276	11,164	3,446
In-kind contributions	-	-	-	-	32,030
Insurance	-	-	6,516	1,550	-
Other	-	-	8,341	460	9,874
Space costs	-	-	54,446	10,365	-
Supplies	267	2,419	36,357	5,044	-
Telephone	-	-	12,246	458	-
Travel	-	-	10,442	7,795	-
Weatherization	-	-	-	-	-
Total expenditures	<u>12,149</u>	<u>80,588</u>	<u>765,689</u>	<u>148,481</u>	<u>77,043</u>
Change in net assets	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-
Transfer to discretionary fund	-	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)



## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2005

	Homeless Shelter <u>Operations</u>	United <u>Way</u>	United Way <u>Emergency</u>	<u>FEMA</u>	Prevent Child Abuse <u>Iowa</u>
Revenues:					
Governmental funding sources:					
Department of Energy	-	-	-	-	-
Dept. of Health and Human Services	-	-	-	-	-
Department of Agriculture	-	-	-	-	-
FEMA/DOT/Dept of Justice	-	-	-	5,499	-
Iowa Department of Human Services	-	-	-	-	-
Iowa Department of Public Health	-	-	-	-	-
Iowa Dept. of Economic Development	17,000	-	-	-	-
In-kind contributions	570	-	-	-	-
Utility Companies	-	-	-	-	-
CSBG budgeted co-funding	267	-	-	-	-
Other sources	-	2,074	24,937	-	21,500
Total revenues	<u>17,837</u>	<u>2,074</u>	<u>24,937</u>	<u>5,499</u>	<u>21,500</u>
Expenditures:					
Salaries and employee benefits	8,728	-	-	-	18,395
Contracted services/consultants	-	-	24,937	5,499	808
Co-funding	-	-	-	-	-
Day care provider payments	-	-	-	-	-
Energy assistance/administrative	-	-	-	-	-
Food	-	-	-	-	-
Indirect costs	967	-	-	-	1,965
In-kind contributions	570	-	-	-	-
Insurance	332	-	-	-	-
Other	100	-	-	-	-
Space costs	2,423	-	-	-	-
Supplies	4,717	2,074	-	-	7
Telephone	-	-	-	-	-
Travel	-	-	-	-	325
Weatherization	-	-	-	-	-
Total expenditures	<u>17,837</u>	<u>2,074</u>	<u>24,937</u>	<u>5,499</u>	<u>21,500</u>
Change in net assets	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-
Transfer to discretionary fund	-	-	-	-	-
Net assets at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



<u>Embrace Iowa</u>	<u>ADLM Nest</u>	<u>Jefferson County Parenting</u>	<u>Reclass Indirect</u>	<u>Total (Memo Only)</u>
-	-	-	-	303,494
-	-	-	-	5,057,961
-	-	-	-	789,951
-	-	-	-	8,452
-	-	-	-	706,203
-	-	-	-	589,161
-	-	-	-	17,000
-	-	-	-	484,772
-	-	-	-	318,060
-	-	-	-	18,502
<u>9,071</u>	<u>8,000</u>	<u>650</u>	<u>-</u>	<u>481,236</u>
<u>9,071</u>	<u>8,000</u>	<u>650</u>	<u>-</u>	<u>8,774,792</u>
-	-	-	-	2,965,701
-	-	-	-	313,753
-	-	-	-	17,548
-	-	-	-	590,731
-	-	-	(14,927)	2,113,909
-	-	-	-	90,051
-	-	-	43,248	354,057
-	-	-	(14,245)	470,527
-	-	-	-	19,282
-	-	-	-	412,210
-	-	-	-	182,514
<u>9,071</u>	<u>8,000</u>	<u>650</u>	<u>-</u>	<u>215,743</u>
-	-	-	-	35,213
-	-	-	-	71,595
-	-	-	(14,076)	921,958
<u>9,071</u>	<u>8,000</u>	<u>650</u>	<u>-</u>	<u>8,774,792</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
HOUSING STABILIZATION UNIT  
DOE

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. DOE-05-15L For the Period April 1, 2005 through <u>June 30, 2005</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 235,479	153,595	81,884
Other income	-	540	(540)
	<u>235,479</u>	<u>154,135</u>	<u>81,344</u>
Expenses:			
Administration	22,659	5,820	16,839
Support	55,176	22,135	33,041
Health and safety	42,564	24,697	17,867
Labor	57,540	49,034	8,506
Materials	57,540	52,449	5,091
Total expenses	<u>235,479</u>	<u>154,135</u>	<u>81,344</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>
Contract No. DOE-04-15L For the Period April 1, 2004 through <u>March 31, 2005</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>244,096</u>	<u>244,096</u>	<u>-</u>
Expenses:			
Administration	22,334	18,044	4,290
Support	57,494	52,644	4,850
Health and safety	44,352	43,746	606
Labor	59,958	68,855	(8,897)
Materials	59,958	61,007	(1,049)
Total expenses	<u>244,096</u>	<u>244,296</u>	<u>(200)</u>
Subtotal	-	(200)	200
Co-fund	<u>-</u>	<u>200</u>	<u>(200)</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
HOUSING STABILIZATION UNIT  
HEAP

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. HEAP-05-15L For the Period April 1, 2005 <u>through June 30, 2005</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 315,471	5,512	309,959
Expenses:			
Administration	16,575	-	16,575
Support	74,899	-	74,899
Health and safety	57,779	4,967	52,812
Labor	78,109	-	78,109
Materials	78,109	545	77,564
Equipment/training	10,000	-	10,000
Total expenses	315,471	5,512	309,959
Total	\$ -	-	-
Contract No. HEAP-04-15L For the Period April 1, 2004 <u>through March 31, 2005</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 323,628	323,628	-
Expenses:			
Administration	16,070	6,406	9,664
Support	72,539	52,123	20,416
Health and safety	55,959	82,622	(26,663)
Labor	75,648	75,462	186
Materials	75,648	79,750	(4,102)
Equipment/training	25,264	30,347	(5,083)
Pollution Occurrence Insurance	2,500	2,500	-
Total expenses	323,628	329,210	(5,582)
Subtotal	-	(5,582)	5,582
Co-fund	-	5,582	(5,582)
Total	\$ -	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
HOUSING STABILIZATION UNIT  
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. LIHEAP-05-15-L For the Period October 1, 2004 through June 30, 2005			
Revenues:			
Grant award – Department of Human Rights	\$ 1,976,669	1,648,485	328,184
Expenses:			
Administration	139,231	127,390	11,841
Regular assistance (net of refunds of \$10,238)	1,404,859	1,402,126	2,733
Energy Crisis Intervention payments furnace repair	99,686	68,728	30,958
Emergency delivery	12,691	16,688	(3,997)
Emergency temporary shelter/blankets, etc	1,081	-	1,081
Client services	45,121	33,553	11,568
Summer deliverable fuel payments	274,000	-	274,000
Total expenses	1,976,669	1,648,485	328,184
Total	\$ -	-	-
Contract No. LIHEAP-04-15-L For the Period October 1, 2003 through September 30, 2004			
Revenues:			
Grant award – Department of Human Rights	\$ 1,890,522	1,877,565	12,957
Expenses:			
Administration	137,638	139,716	(2,078)
Regular assistance (net of refunds of \$12,001)	1,355,898	1,347,796	8,102
Energy Crisis Intervention payments furnace repair	59,007	55,575	3,432
Emergency delivery	23,883	24,898	(1,015)
Emergency temporary shelter/blankets, etc	613	-	613
Client services	38,283	37,473	810
Summer deliverable fuel payments	275,200	275,200	-
Total expenses	1,890,522	1,880,658	9,864
Subtotal	-	(3,093)	3,093
Co-fund	-	3,093	(3,093)
Total	\$ -	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES – HEAD START

Schedule of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. 07CH6142/39			
For the Period December 1, 2004 through June 30, 2005			
Revenues:			
Grant award – Department of Health and Human Services	\$ 1,902,850	1,099,156	803,694
Grantee provided support	475,713	80,252	395,461
Other income	-	6,719	(6,719)
Total revenues	<u>2,378,563</u>	<u>1,186,127</u>	<u>1,192,436</u>
Expenses:			
OHD share:			
Head Start full year – part day (CAN No. 2005 G074122):			
Direct costs:			
Personnel	1,043,824	582,379	461,445
Fringe benefits	302,709	162,091	140,618
Travel	10,108	6,287	3,821
Equipment	5,000	-	5,000
Supplies	36,398	40,714	(4,316)
Contractual	84,541	50,833	33,708
Other	256,442	180,439	76,003
	<u>1,739,022</u>	<u>1,022,743</u>	<u>716,279</u>
Indirect costs	<u>138,829</u>	<u>77,456</u>	<u>61,373</u>
	<u>1,877,851</u>	<u>1,100,199</u>	<u>777,652</u>
Head Start Training and Technical Assistance (CAN No. 2005 G074120):			
Direct costs:			
Travel	4,200	1,476	2,724
Contractual	9,600	433	9,167
Other	11,199	3,767	7,432
	<u>24,999</u>	<u>5,676</u>	<u>19,323</u>
Grantee share:			
Grantee (note 11)	<u>475,713</u>	<u>80,252</u>	<u>395,461</u>
Total expenses	<u>2,378,563</u>	<u>1,186,127</u>	<u>1,192,436</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES – HEAD START

Schedule of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. 07CH6142/38 For the Period December 1, 2003 through November 30, 2004			
Revenues:			
Grant award – Department of Health and Human Services	\$ 1,958,018	1,898,780	59,238
Grantee provided support	489,505	485,807	3,698
Other income	-	20,890	(20,890)
Total revenues	<u>2,447,523</u>	<u>2,405,477</u>	<u>42,046</u>
Expenses:			
OHD share:			
Head Start full year – part day (CAN No. 2004 G074122):			
Direct costs:			
Personnel	1,005,800	970,714	35,086
Fringe benefits	270,048	256,057	13,991
Travel	13,400	9,402	3,998
Equipment	28,589	31,834	(3,245)
Supplies	53,139	67,226	(14,087)
Construction	50,000	50,000	-
Contractual	81,056	77,060	3,996
Other	293,216	300,304	(7,088)
	<u>1,795,248</u>	<u>1,762,597</u>	<u>32,651</u>
Indirect costs	<u>133,771</u>	<u>129,105</u>	<u>4,666</u>
	<u>1,929,019</u>	<u>1,891,702</u>	<u>37,317</u>
Head Start Training and Technical Assistance (CAN No. 2004 G074120):			
Direct costs:			
Travel	8,399	8,363	36
Contractual	4,000	2,969	1,031
Other	16,600	16,636	(36)
	<u>28,999</u>	<u>27,968</u>	<u>1,031</u>
Grantee share:			
Grantee (note 11)	<u>489,505</u>	<u>485,807</u>	<u>3,698</u>
Total expenses	<u>2,447,523</u>	<u>2,405,477</u>	<u>42,046</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
CHILD AND ADULT CARE FOOD PROGRAM  
– DAY CARE HOMES

Schedule of Revenues and Expenses

	<u>Actual</u>
Contract No. 90-8017	
For the Period October 1, 2004	
<u>Through June 30, 2005</u>	
Revenues:	
Iowa Department of Education	\$ <u>500,240</u>
Expenses:	
Personnel costs	45,743
Fringe benefits	12,736
Travel	2,374
Space costs	619
Supplies	4,321
Printing/copier	694
Telephone	284
Postage/freight	1,412
Indirect costs	6,084
Other	1,876
Day care provider payments	<u>424,097</u>
Total expenses	<u>500,240</u>
Total	\$ <u><u>-</u></u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
CHILD AND ADULT CARE FOOD PROGRAM  
– DAY CARE HOMES

Schedule of Revenues and Expenses

	<u>Actual</u>
Contract No. 90-8017	
For the Period October 1, 2003	
<u>through September 30, 2004</u>	
Revenues:	
Iowa Department of Education	\$ <u>705,582</u>
	<u>705,582</u>
Expenses:	
Personnel costs	61,425
Fringe benefits	19,205
Supplies	8,020
Travel	3,549
Space costs	1,169
Printing/copier	3,728
Telephone	432
Other	339
Postage and supplies	1,823
Indirect costs	8,169
Day care provider payments	<u>597,723</u>
Total expenses	<u>705,582</u>
Total	\$ <u><u>-</u></u>



SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
DRUG AND ALCOHOL SERVICES  
TREATMENT

Schedule of Revenues and Expenses

	<u>Actual</u>
For the Period July 1, 2004 <u>through June 30, 2005</u>	
Revenues:	
Grant award – Iowa Division of Substance Abuse:	
Counseling	\$ 558,285
Federal Probation Revenue	20,838
PRI Grant	5,038
ADDS Grant	5,000
OWI Class	51,515
Client fees/insurance proceeds	<u>125,013</u>
Total revenues	<u>765,689</u>
Expenses:	
Salaries	400,571
Fringe benefits	115,283
Contractors	68,211
Advertising	671
Other	2,558
Indirect costs	53,276
Insurance	6,516
Postage	5,112
Space	54,446
Supplies	36,340
Telephone	12,246
Travel	10,442
Equipment	<u>17</u>
Total expenses	<u>765,689</u>
Total	\$ <u><u>-</u></u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
DRUG AND ALCOHOL SERVICES  
PREVENTION

Schedule of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. 5885CP21			
For the Period July 1, 2004			
<u>through June 30, 2005</u>			
Revenues:			
Grant award – Iowa Division of Substance Abuse			
– Prevention	\$ 140,105	140,105	-
Client fees	-	315	(315)
Miscellaneous income	-	8,061	(8,061)
Total revenues	<u>140,105</u>	<u>148,481</u>	<u>(8,376)</u>
Expenses:			
Salaries and benefits	103,624	109,075	(5,451)
Contracted services	2,000	2,569	(569)
Other	23,790	25,673	(1,883)
Indirect costs	10,691	11,164	(473)
Total expenses	<u>140,105</u>	<u>148,481</u>	<u>(8,376)</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
FAMILY DEVELOPMENT  
COMMUNITY SERVICES BLOCK GRANT

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. CSBG-04-15-CL For the Period October 1, 2003 <u>Through June 30, 2005</u>			
Revenues:			
Division of Community Action Agencies	\$ 363,308	267,735	95,573
Miscellaneous income	-	645	(645)
	<u>363,308</u>	<u>268,380</u>	<u>94,928</u>
Expenses:			
Personnel costs	254,516	180,421	74,095
Travel	8,358	5,296	3,062
Space costs	33,784	21,211	12,573
Co-funded programs	7,000	5,283	1,717
Other costs	40,057	37,441	2,616
Indirect costs	19,593	18,728	865
Total expenses	<u>363,308</u>	<u>268,380</u>	<u>94,928</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>
Contract No. CSBG-03-15-CL For the Period October 1, 2002 <u>through September 30, 2004</u>			
Revenues:			
Division of Community Action Agencies	\$ 374,312	374,312	-
Expenses:			
Personnel costs	246,102	246,102	-
Travel	9,630	9,630	-
Space costs	29,562	29,562	-
Consultants/co-funded programs	15,944	15,944	-
Other costs	46,690	46,690	-
Indirect costs	26,384	26,384	-
Total expenses	<u>374,312</u>	<u>374,312</u>	<u>-</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
FAMILY DEVELOPMENT  
FAMILY DEVELOPMENT AND  
SELF SUFFICIENCY DEMONSTRATION GRANT

Schedule of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. FaDSS-05-15-FL			
For the Period July 1, 2004			
<u>through June 30, 2005</u>			
Revenues:			
Grant award – Iowa Department of			
Human Services	\$ 326,378	326,378	-
Other income (In-Kind)	200	18,577	(18,377)
	<u>326,578</u>	<u>344,955</u>	<u>(18,377)</u>
Expenses:			
Base:			
Administrative	27,395	27,395	-
Salaries	202,926	207,477	(4,551)
Benefits	50,731	54,726	(3,995)
Travel	10,646	8,509	2,137
Space/utilities	13,980	10,975	3,005
Other costs	20,700	39,762	(19,062)
	<u>326,378</u>	<u>348,844</u>	<u>(22,466)</u>
Local funds:			
Third party payments	200	200	-
	<u>200</u>	<u>200</u>	<u>-</u>
Total expenses	<u>326,578</u>	<u>349,044</u>	<u>(22,466)</u>
Subtotal	-	(4,089)	4,089
Co-fund	<u>-</u>	<u>4,089</u>	<u>(4,089)</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal  
Control Over Compliance  
in Accordance with OMB Circular A-133

Schedule of Findings and Questioned Costs/  
Summary Schedule of Prior Audit Findings

June 30, 2005



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Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

Board of Directors  
Southern Iowa Economic Development Association  
Ottumwa, Iowa

We have audited the financial statements of the Southern Iowa Economic Development Association (SIEDA) as of and for the year ended June 30, 2005, and have issued our report thereon dated August 11, 2005, which was modified due to the omission of the recognition of depreciation of fixed assets and accrued compensated absences. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Southern Iowa Economic Development Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southern Iowa Economic Development Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report, a public record by law, is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these parties.

*Theobald, Donohue & Thompson, P.C.*

Sigourney, Iowa  
August 11, 2005



# Theobald, Donohue & Thompson, P.C.

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Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal  
Control Over Compliance  
In Accordance with OMB Circular A-133

Board of Directors  
Southern Iowa Economic Development Association  
Ottumwa, Iowa

## **Compliance**

We have audited the compliance of the Southern Iowa Economic Development Association with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Southern Iowa Economic Development Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Southern Iowa Economic Development Association's management. Our responsibility is to express an opinion on the Southern Iowa Economic Development Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Southern Iowa Economic Development Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Southern Iowa Economic Development Association's compliance with those requirements.



In our opinion, the Southern Iowa Economic Development Association complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

### **Internal Control Over Compliance**

The management of the Southern Iowa Economic Development Association is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Southern Iowa Economic Development Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Theobald, Donohue & Thompson, P.C.*

Sigourney, Iowa  
August 11, 2005

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2005

- 1) Summary of auditors' audit results:
  - a) Auditor issued a qualified report on the financial statements due to lack of recognition of depreciation and accrued compensated absences.
  - b) There were no reportable conditions in internal control reported.
  - c) There were no instances of noncompliance that would be material to the financial statements of the auditee reported.
  - d) There were no reportable conditions in internal control over major programs disclosed by the audit.
  - e) Auditor issued an unqualified opinion on compliance of major programs.
  - f) The audit disclosed no audit findings which the auditor is required to report.
  - g) The following programs were considered to be major programs:
    - i) Child & Adult Food Program – Supplemental Food, CFDA #10.558
    - ii) Child & Adult Food Program – Day Care Homes, CFDA #10.558
    - iii) Head Start, Full Year Part Day and Handicapped, CFDA #93.600
  - h) The threshold between a Type A and Type B program was \$300,000.
  - i) The auditee qualified as a low-risk auditee.
- 2) There were no findings related to the financial statements which are required to be reported in accordance with GAGAS.
- 3) There were no findings and questioned costs for Federal awards.

## Summary Schedule of Prior Audit Findings

<u>Questioned Program</u>	<u>Findings/Noncompliance</u>	<u>Costs</u>
	None	